

AGENDA



Thursday, November 20, 2008

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION****Item No. 19**

Subject: Approve a resolution adopting the E. 6th Street Public Improvement District (PID) Service Plan and Budget for 2009.

Amount and Source of Funding: The Pecan Street Owners Association DBA Sixth Street Austin submitted a 2009 budget for the PID in the amount of \$113,687. This budget will be funded from a total projected revenue of \$117,687. This amount includes \$41,616 in 2009 assessments (at a 90% collection rate), (\$704) in collections from 2008, \$3,275 interest accrued in the PID Account and late payments; a \$43,500 annual contribution from the City of Austin; and \$30,000 in donations to be raised by Sixth Street Austin. Appropriation of the \$87,687 in the Economic Growth and Redevelopment Services Department Special Revenue Fund will require City Council authorization, and possible adjustment, after the assessment roll hearing on December 11, 2008. \$4,000 of the total amount will be retained as a reserve fund to cover revenue adjustments to the assessment roll.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Michael Knox, Downtown Officer / 974-6415

Prior Council Action: Authorized the East Sixth Street PID on August 26, 2004. Awarded the management contract to the Pecan Street Owners Association on December 2, 2004.

The East Sixth Street Public Improvement District (PID) was created by Council on August 26, 2004. The resolution outlined that the general nature of the services and improvements to be performed by the District were to include improved public safety, economic development, streetscape improvements, marketing and public relations, historic preservation, and accentuation of the historic character of the area. On December 2, 2004 the City Council authorized negotiation and execution of a management contract for the E. Sixth St. PID with the Pecan Street Owners Association, dba Sixth Street Austin, an organization representing property owners in the E. Sixth St. PID.

The E. Sixth St. PID comprises 116 properties lining E. 6th St from I-35 to Congress Avenue. The assessment rate is \$.10 / \$100 valuation, on the first \$500,000 of value. In 2009, the fifth year of the PID, this assessment rate is expected to generate \$40,187 from assessments, interest, late payments and other adjustments. To supplement this, the Pecan Streets Owners Association is proposing to raise an additional \$30,000. The City of Austin has also committed to provide \$43,500.

This action will approve the proposed E. 6th Street Public Improvement District Service Plan and Budget for 2009, as provided to the City by the Sixth Street Austin. The proposed 2009 Assessment roll is based on the proposed Service Plan. State law requires Council approval of the Service Plan and Budget.

Total projected revenue is \$117,687 and total proposed budget is \$113,687. The balance of \$4,000 is a reserve for revenue adjustments to the assessment roll. These estimates are based on the appraisal roll from TCAD as of October 2, 2008. Adjustments to the roll may be required based on new information from TCAD and Council action as a result of the December 11, 2008 public hearing on the final assessments. Approval of the proposed PID budget and the ordinance adopting an assessment rate and proposed assessment roll are the first steps in the annual process of approving PID assessments.